

NUGGET CONSTRUCTION, INC.

August 6, 1997

611-20

US Army Corps Engineer District, Alaska
Richardson Resident Office
PO Box 898
Anchorage, Alaska 99506-0898

Attention Mr. Dave Scott

Re DACW85-96-C-0020
Homer Spit Repair and Extension, Homer, Alaska

Subject Pay Estimate No. 4; Nugget Construction/Spencer Rock

Dear Mr. Scott,

Enclosed are copies of documents defining the Nugget Construction/Spencer Rock Products relationship. With respect to payments due Spencer Rock, they have, in fact, been paid an amount greater than they have earned, less support costs. To solidify our position we have attached copies of our Material Agreement and Support Agreement with Spencer Rock for your records. Please remember that these documents are confidential and are supplied for informational purposes only. We request that you do not release these documents to anyone outside your office without our permission.

In the event you feel that these documents are insufficient to protect the government's interests in making payment for materials stored off-site, or if analysis of this information would delay the processing of pay estimate no. 4, please delete the costs for materials stored at Spencer from that pay estimate. That dollar amount is on the summary sheet and has been flagged for your convenience.

Sincerely,
Nugget Construction, Inc.

L.D. Randolph, P.E.
Project Manager

c Willis Corroon Corporation
Oles Morrison & Rinker